Attachment B: Questions Concerning Possible Changes to the Renewables Portfolio Standard Eligibility Guidebook

The following topics may be addressed as proposed revisions to the *Renewables Portfolio Standard Eligibility Guidebook, Fourth Edition*. Energy Commission staff seeks stakeholder input to help inform decisions concerning these issues. The draft guidebooks, with staff's proposed changes shown in underline/strikeout format, will be available on the Energy Commission's Website at:

www.energy.ca.gov/portfolio/documents/index.html

A. Multi-Fuel Facilities and the De Minimis Quantity of Nonrenewable Fuels

With the adoption of AB 1954,[1] the Energy Commission has been tasked with determining if the operations of eligible renewable resources using nonrenewable fuels totaling more than 2 percent of the total annual energy input, should qualify the facility to receive an adjusted de minimis nonrenewable fuel quantity of 5 percent. The Energy Commission is specifically seeking stakeholder input on the proper interpretation/application of the term "significantly" in Public Utilities Code Section 399.12(e)(3)(A):

"The facility demonstrates that the higher quantity of nonrenewable fuel will lead to an increase in generation from the eligible renewable energy facility that is significantly greater than generation from the nonrenewable fuel alone."

1. Please provide an amount of generation increase, in terms of a percent, that constitutes a significant amount of generation. Please explain why the selected percent is should be considered significant.

B. Repowering

The Energy Commission is seeking stakeholder input on the repowering requirements for facilities participating in California's RPS. Please provide responses to the following questions:

1. Is 80 percent the appropriate minimum level of capital investment to qualify an existing plant as a "new" facility? Explain.
2. Should capital expenditures be limited to a certain number of years? Explain.
3. What is the appropriate definition of "prime generating equipment" for each technology? Explain. Do the proposed definitions of prime generating equipment, and/or your suggested definitions, provide consistent replacement requirements for all technologies?
4. Can the goals of repowering be achieved through efficiency and process improvements alone? If so, explain how.

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1 AB 1954 (Chapter 460, Statutes of 2010). AB 1954 amends Sections 399.2.5 and 399.12 of the Public Utilities Code.

C. Pre-certification

The Energy Commission is seeking stakeholder input on the value of pre-certification for the RPS. The Energy Commission currently lists nearly 650 facilities as pre-certified, many of which have had that status for over five years. The anticipated online date of many pre-certified facilities has passed.

Because a facility cannot be awarded RPS certification, nor be approved in the WREGIS system, until it is online and has declared commercial operations, the Energy Commission has offered pre-certification as an indication that, given the information provided by the applicant at the time, and under the requirements set forth in the RPS Guidebook in effect at the time, the facility meets the eligibility requirements. However, it is not until the applicant submits all of the required information and a signed attestation that the facility is operating as indicated in the application, that the Energy Commission will consider the facility as eligible for RPS certification.

1. The Energy Commission is considering eliminating the option of pre-certifying a facility that is in development and not yet online. Please discus what value you believe pre-certification status provides to individual facilities, utilities, or other stakeholders, and provide examples.
2. If the Energy Commission maintains pre-certification as an option for developers, staff believes pre-certification should have greater value by being a more robust and responsive system.
    a) If the Energy Commission keeps the option of pre-certification, is there a reasonable amount of time after a pre-certification is submitted that the facility should apply for certification and that the same RPS Eligibility Guidebook should apply to the facility's application - after which the pre-certification status would expire? Facilities would need to reapply for pre-certification and the RPS Eligibility Guidebook in place at that later time would apply. Please explain.
    b) What milestone(s) should be met by a facility before an application for pre-certification will be accepted by the Energy Commission? For example, should an applicant be required to demonstrate that the facility has applied for permits or that permits have been approved, land or a loan for the land has been acquired, etc.? How should these milestones be demonstrated by the applicant?